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Viewing cable 06MANAGUA2518, THE TORTOISE AND THE HARES -- WHY ORTEGA WON THE

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| Reference ID | Created | Released | Classification | Origin |
|-------------------------------|----------------------------------|----------------------------------|------------------------|---------------------------------|
| 06MANAGUA2518 | 2006-11-14 23:02 | 2011-08-30 01:44 | SECRET | Embassy Managua |

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E.O. 12958: DECL: 11/14/2026
TAGS: [PREL](#) [PGOV](#) [PINR](#) [KDEM](#) [NU](#)
SUBJECT: THE TORTOISE AND THE HARES -- WHY ORTEGA WON THE RACE

REF: A. MANAGUA 2492

[1](#)B. MANAGUA 2491
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[1](#)M. MANAGUA 2044
[1](#)N. MANAGUA 1630

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

[1](#)1. (C) SUMMARY: Sandinista National Liberation Front (FSLN) candidate Daniel Ortega won Nicaragua's presidential election after surpassing the low 35% threshold required to win on the first round and with 4 percentage points below what he received in the 2001 race. While the lion's share of the independent vote probably rallied around Nicaraguan Liberal Alliance (ALN) candidate Eduardo Montealegre, he lost enough of the undecided and liberal votes to derail a hoped-for second round battle between him and Ortega. Some liberals who initially endorsed Montealegre likely returned to their traditional affiliation, the Liberal Constitutional Party (PLC), after being convinced (largely via PLC misinformation) that PLC candidate Jose Rizo could defeat Ortega, or were duped into believing that Montealegre had withdrawn his candidacy. The Sandinista Renovation Movement (MRS) may have lost considerable support from independent and once FSLN supporters, the former migrating to Montealegre, the latter returning to Ortega.

[1](#)2. (C) SUMMARY CONTINUED: The fracturing of Nicaraguan liberals into two alliances clearly advantaged Ortega. More specifically, the PLC's disinformation campaign against the ALN -- whose own campaign suffered from lack of direction and the late receipt of funds -- siphoned off enough votes to prevent second-place candidate Montealegre from obtaining the votes required to prompt a second round. Further, private sector and other funding that could have bolstered the ALN campaign and countered the PLC's disinformation tactics came too little too late -- which hurt the new party's ability to organize, mobilize, and draw and maintain enough of the liberal vote. And, while observers did not report significant fraud on election day, some noted that the Supreme Electoral Council's (CSE) "selective" issuance and

distribution of national/voter IDs (cedulas) and temporary voting documents disenfranchised thousands of potential Nicaraguan voters - probably most of them unaffiliated with the FSLN or PLC. END SUMMARY.

ELECTORAL LAW/WEAK COUNTER-EFFORTS ADVANTAGE ORTEGA

13. (C) Taking advantage of an uneven playing field tilted in his favor, FSLN presidential candidate Daniel Ortega won Nicaragua's November 5 presidential election after barely surpassing the low 35% threshold required to win on the first round -- thanks in large part to PLC caudillo Arnoldo Aleman and fellow "pacster" Daniel Ortega's lowering the threshold for a presidential candidate to win on the first round from 45% to 35% in 2000. According to the CSE's preliminary results, with 91.48% of the voting tables (JRVs) tabulated, Ortega has received about 38% of the vote, below the 42% he obtained in the 2001 election, while ALN runner up Eduardo Montealegre has obtained about 29% (NOTE: Montealegre would have needed at least 33% of the vote to prompt a runoff against Ortega. END NOTE.) Additional factors that advantaged Ortega follow:

--Ortega's patience and determination over the past 16 years and his ability to "govern from below," thanks in large part to his long-standing power sharing pact with PLC caudillo Arnoldo Aleman.

--The division of the anti-Ortega vote into the PLC and the ALN. Robust international and domestic efforts to unite the anti-Ortega vote failed, as Rizo's blind ambition to don the presidential sash and the desire of "pacsters" Aleman and Ortega to maintain their power sharing agreement prevailed. (COMMENT: Efforts included our offer starting last year to fund joint primaries for Rizo and Montealegre to compete

fairly (Rizo declined, Montealegre accepted); former Salvadoran President Calderon Sol's proposed compromise (Montealegre would run as Rizo's VP if Aleman and his inner circle stepped down from their leadership of the PLC and the selection of Assembly candidates); Congressman Burton's attempts to persuade Rizo and Montealegre to meet and work out a compromise (Rizo bailed, Montealegre appeared); and, COSEP's offer to fund a massive poll by a reputable polling firm to determine whether Montealegre or Rizo enjoyed the most support (Rizo declined and Montealegre accepted and the poll results showed Montealegre in the lead). END COMMENT.)

--The CSE's "selective" issuance and distribution of cedulas and temporary voting documents, disenfranchising thousands of potential Nicaraguan voters, most of them likely unaffiliated with the FSLN or PLC. International observers and the Nicaraguan Elections Donor Group (EDG) were aware of the problem, but the EDG refrained from issuing a communique.

Carter Center's COP spoke out on the matter, and the OAS Election Observation Mission (EOM) made note of it in its August report. NGO Movimiento por Nicaragua (MpN) was the most vociferous, estimating that 100,000 Nicaraguans were unable to retrieve their cedulas/temporary voting and possibly up to 300,000 Nicaraguans could not complete the cedula application process because the CSE simply gave them the runaround (they did not have updated birth certificates required to apply for the cedula, or the birth certificates were flawed and thus invalid). (COMMENT: According to an ALN contact, a PLC supporter affiliated with the municipal electoral council (CEM) in Paiwas, Matagalpa department had stored 300 cedulas in his home. He believes most of them belong to ALN supporters who could not vote. END COMMENT.)

--Higher voter abstention. Although the final figures are not yet in, voter turnout appears to be significantly lower than in the 2001 election. According to M&R pollster Raul Obregon, turnout may have been down 8%-10% points. (COMMENT: Historically, high voter turnout disfavors Ortega because his followers do vote. Possibly, the confusion among liberals and some independents over Montealegre's and Rizo's candidacies may have discouraged them from voting at all.

END COMMENT.)

--Virtually unlimited funds and donations from domestic and foreign sources -- including free Venezuelan fertilizer and promises of cheap oil and narco-dollars obtained from the FSLN-dominated courts' release of narco and arms traffickers.

These resources enabled the FSLN to launch by far the most robust campaign of all competing parties.

--The FSLN's cash-flush, non-confrontational campaign based on "peace and reconciliation," imbued with pastel colors, "zero unemployment" and featuring a revised version of Beatles' song "Give Peace a Chance." These efforts may have reduced Ortega's image as a "Bogeyman" in the eyes of younger voters who were not exposed to the 1980s Sandinista Era.

--The death of MRS presidential candidate Herty Lewites and the drying up of his funding sources. At first, Lewites' successor Edmundo Jarquin appeared to hold on to MRS support, but his inability to acquire the funds needed to run a robust campaign likely prevented this Sandinista dissident party from attracting more traditional FSLN voters and perhaps prompted some of them to return to Ortega.

--The selection of Liberal running mate (and PLC leader Arnoldo Aleman padrino) Jaime Morales Carazo to assuage private sector fears that the Ortega of the 1980s would return to impede their business interests.

--The positive performance of a number of FSLN mayors and the resources at their disposal (materials and vehicles for the campaign, etc.).

--The virtual endorsement of Cardenal Obando y Bravo of FSLN candidate Ortega and the reluctance of the Catholic Church to counter Obando's influence until it was too late to mitigate his grip on voters.

--The "reconciliation" of ALN National Assembly candidate Salvador Talavera (third on the national list of deputies) with Ortega, which the PLC used to convince voters that the ALN was "infested" with Sandinista moles and the ALN, not the PLC, had "pacted" with Ortega.

--Insufficient traction on Zoilamerica Narvaez' case before

the Inter-American Human Rights Commission (IAHCR) against the GON for failing to give her case against stepfather Daniel Ortega a fair hearing in the Nicaraguan courts. The IAHCR suddenly postponed Narvaez's hearing in October. Also in October, the GON failed to address -- out of fear and/or complicity -- the allegations of a 12-year-old female who alleged she was sexually abused by Daniel Ortega.

--Inadequate resources for Miskito Indians opposing the FSLN and the branch of the FSLN-dominated indigenous party YATAMA to counter well-funded FSLN influence in the North Atlantic Autonomous Region (RAAN). Since the FSLN's success in dominating YATAMA, it has moved on to its next project: assuming "leadership" of the Moravian Church Council.

ALN'S CAMPAIGN SHORT ON CHARISMA, FOCUS, POLITICAL SAVVY

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14. (C) The ALN's failure to win the election or position itself for a second round cannot be solely attributed to Ortega's advantages and the PLC's maliciousness. At many critical points, ALN leadership lacked charisma, political judgment, direction and conviction, flaws that endangered the new party's integrity, discouraged private sector backing, and served to confuse already bewildered liberal voters. Montealegre's decision to position turncoat Salvador Talavera third on the Assembly candidate slate -- when it was common knowledge that Talavera's loyalties had been for sale in the past and his moral vulnerabilities made him easy prey for the Sandinista-dominated courts -- was a grave error that the PLC used to convince voters that "a vote for Eduardo is a vote for Daniel."

15. (C) The ALN's belated designation of its campaign manager, financier Adolfo Arguello, hurt the party's ability to organize and to mount a cohesive and coherent campaign that could effectively reach all corners of Nicaragua -- including remote rural areas that are traditional PLC strongholds. Many ALN leaders questioned Arguello's suitability, citing his lack of political savvy, his inability to draw on a large cadre of ALN supporters who wished to contribute to the campaign, and his refusal on many occasions to follow the advice of foreign consultant Mario Elgarresta. According to the ALN's first-ranking National Assembly deputy, Maria Eugenia Sequeira, Arguello refused to listen to reason from more politically experienced members of the ALN leadership. For example, Arguello ignored her advice that the ALN should climax its campaign with a giant rally before the PLC's closure in Managua -- such a move could have convinced confused voters that the ALN possessed political muscle. Instead, Arguello insisted on holding a number of smaller campaign closures in strategic departments throughout the country, while the PLC broadcast its well-attended (reportedly including a number of Sandinistas) Managua rally.

. . . WHILE PLC'S WELL-ORCHESTRATED DISINFORMATION CAMPAIGN
CREATES CONFUSION, ERODES SUPPORT FOR ALN/MONTEALEGRE

16. (C) Compounding the ALN's leadership and organization challenges was PLC candidate Jose Rizo's well-orchestrated and well-funded disinformation campaign against Montealegre -- which successfully siphoned off enough votes to prevent the ALN candidate from reaching a runoff. While Montealegre appears to have drawn the lions' share of the independent vote, including some MRS sympathizers, some of his liberal supporters probably abandoned him after the PLC duped them into believing that Rizo would defeat Ortega, or that Montealegre had resigned. Preferring to direct the bulk of its attacks against Montealegre instead of Ortega, the PLC launched its smear campaign with false accusations that Montealegre was engaged in acts of corruption during his involvement in the issuance of debt bonds (CENIs) to mitigate the damage incurred by a rash of bank failures in 2000-2001. Other tactics follow:

--Releasing a number of fake polls showing Rizo neck-and-neck with Ortega, and Montealegre trailing far behind;

--Using dozens of hours of radio and TV time, many featuring PLC Assembly candidate Enrique Quinonez spouting venom at Montealegre and insulting a number of ALN's female Assembly candidates.

--Publicizing a meeting between Rizo and Congressman Burton to persuade voters that the U.S. considers Rizo a favorable candidate;

--Persuading Oliver North that Rizo could defeat Ortega and that the USG was "wrongly endorsing" rival Montealegre, convincing North to pen an op-ed to this effect and visit Managua to support Rizo's candidacy;

--Parading the U.S. flag, seal, and photos of Oliver North with Rizo throughout the traditionally PLC countryside to demonstrate to confused liberals that Rizo is the "gringo" candidate;

--Releasing the day before the campaign blackout a falsified letter from Montealegre stating that he had withdrawn his candidacy; and,

--Mounting a massive radio blitz announcing that the U.S. Embassy in Managua had pressed Montealegre to resign.

FINANCIAL BACKING - TOO LITTLE TOO LATE
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¶7. (C) The lag in cash flows also hurt the ALN's ability to organize, mobilize, and court and maintain enough of the Liberal vote. Notorious for hedging its bets by funding all potential presidential victors, including candidate Ortega, Nicaragua's private sector likely acted no differently this time around. Most financiers stalled for months, rationalizing that they would wait for Carlos Pellas' "white smoke" or the latest poll before determining which candidate to back -- even though reputable polls showed clearly that ALN candidate Montealegre, not PLC competitor Rizo, was the only viable candidate to prevent an Ortega victory.

¶8. (S) For months, Pellas insisted that the ALN and PLC must unite or he would back neither, while probably contributing to Ortega's campaign for "economic life insurance." (NOTE: According to many contacts, including CSE insider Rodrigo Barreto, Pellas contributed to Ortega's campaign in addition to helping both Rizo and Montealegre. END NOTE.) By the time chamber of commerce umbrella association COSEP endorsed Montealegre in mid-October, and the pace of funding increased, it was late in the game. Similarly, the Taiwanese government hemmed and hawed over backing Montealegre until the release of the COSEP poll showing Montealegre in the lead over Rizo, while some Taiwanese businessmen here were influenced by PLC campaign fundraiser Gilberto Wong to back Rizo.

JUSTICE IN THE SLOW LANE - - - - -

¶9. (C) The lack of traction on pending criminal and civil cases in the United States against PLC leader/convicted money laundering Arnaldo Aleman also worked against the ALN, as it emboldened the PLC and weakened the ALN's (and our) argument that PLC leadership was corrupt and no longer viable in the eyes of the U.S. government. Similarly, DOJ's finding that

it did not possess enough evidence to indict both FSLN and PLC Nicaraguan Supreme Court Justices for money laundering and abetting narco-traffickers (reportedly on the grounds that there was an insufficient link of these activities to the United States) struck down an opportunity to further expose Nicaraguans to the corrupt complicity of Aleman and Ortega through the FSLN/PLC-dominated judiciary.

¶10. (C) Despite the setbacks, the ALN cut its teeth on this election, and in the course of a year, evolved from a minute caucus in the Assembly to Nicaragua's second-strongest political force -- displacing the PLC's renowned machine and reducing Aleman's influence. The ALN's showing second offers Nicaragua a new political dynamic, as it will make the new legislature more pluralistic and less subservient to the Aleman-Ortega pact. Montealegre, who is poised to gain an Assembly seat and may become its next president, is determined to lead a constructive, democratic, and intelligent opposition that promises to legislate with the needs and aspirations of the Nicaraguan people in mind.

COMMENT - - - - -

¶11. (C) For the most part, we succeeded in our efforts to ensure that Nicaraguans held free, fair, and transparent elections, with the caveat that the CSE has not yet released

the final numbers. Although the election outcome did not meet all of our objectives, without our concerted efforts -- including training over 50,000 party poll watchers, supporting robust get-out-the vote and remembrance campaigns, and backing OAS and domestic observation missions -- the elections would have been a true disaster. And, while we do not believe the elections were adequately inclusive because tens of thousands of disenfranchised Nicaraguans could not vote, we helped thousands of others obtain the required documentation to go to the polls.

¶12. (C) Our efforts also encouraged the emergence of two democratic forces, one on the right and one on the left,

political alternatives that responded to the call of many Nicaraguans seeking to build a modern and prosperous democracy based on rule of law and justice. Combined, these two parties will probably occupy over 30 Assembly seats and can serve as a solid bloc for change. Finally, we helped empower a number of Nicaragua's democratic civil society groups, including newcomer Movimiento por Nicaragua (MpN), as well as the more seasoned Etica y Transparencia, Hagamos Democracia, and IPADE. While MpN leaders are disappointed with Ortega's victory, they are also encouraged by the emergence of the new political alternatives and are determined to partner with them to meet the challenges and exploit the opportunities that lie ahead.

TRIVELLI